

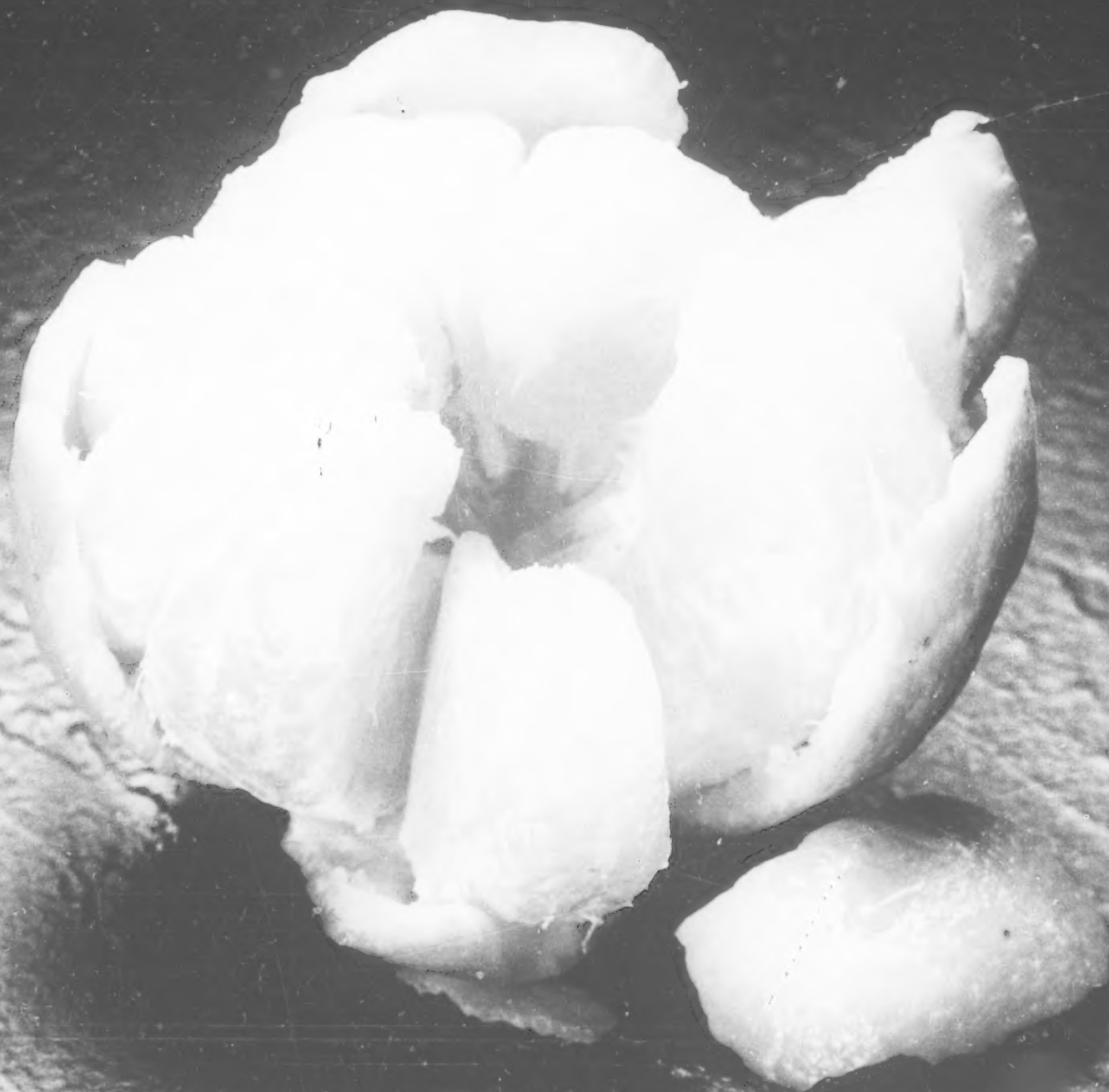
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STORE BUSINESS: DELI



MANAGING TODAY'S SUPER STORE

How to Segment the Problem Into Bite-Sized Pieces

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PART ONE
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MANAGING TODAY'S SUPER STORE: HOW TO SEGMENT THE PROBLEM INTO BITE-SIZED PIECES/BOB HUGHES 25

Finding today's store manager, one with eagerness, creativity and entrepreneurial drive, is no easy task. Creating the environment in which managers thrive is no easier. A look at how some of the most successful chains and independents do both.

AT LARRY'S MARKET, EMPLOYEES THRIVE AS ENTREPRENEURS/BOB HUGHES & KEVIN COUPE 32

Employees at the stylish new Larry's Market in Seattle operate with an unusual amount of autonomy and encouragement to be creative. The result is a supermarket local papers call the best in the city.

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AT ANCONA'S DELI, GOOD THINGS ARE IN SMALL PACKAGES/KEVIN COUPE 5A

Customer service and emphasis on deli has brought a small Connecticut market considerable success.

LARRY'S MARKET CAFE AND DELI IS AN EATER'S BEST FRIEND/KEVIN COUPE & BOB HUGHES 17A

The emphasis is on foods from the Northwest at the deli of the newest Larry's Market in Seattle.

DELI IS FRONT AND CENTER AT WAKEFERN'S SHOPRITE 24A

Wakefern's new corporate-owned ShopRite in Philadelphia sets a theatrical stage for its deli.

REFRIGERATED ENTREES: A GROWING INSTORE SERVICE 29A

Retailers continue to move beyond hot service deli items into more sophisticated microwavable fare.

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*in selected editions only

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IN NONFOODS, DPP ANALYSIS IS NOT NECESSARILY THE FINAL ANALYSIS/DANIEL ELMAN & DAVID LITWAK 43

DPP analysis can often tell retailers more about a product's performance than gross margin, but DPP analysis has its limitations. Examples of DPP analysis at Hannaford Bros. outlets show why.

LARRY'S HOUSEWARES ADD PANACHE TO ITS IMAGE/KEVIN COUPE & BOB HUGHES 51

This new Seattle store uses an upscale housewares department, modest in size, to strengthen its overall gourmet image.

HOUSEWORLD EXPO PLAYS TO EMPTY ROOM IN VEGAS 55

The first HouseWorld Expo was a big, professionally-run trade show for the industry. So how come there weren't any buyers there?

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One retailer finds out that you can lead a horse to water, but you can't make him think. At least not the way you want him to.

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SAMI UPDATE

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 6/19/87	4 WEEKS ENDING 7/17/87	4 WEEKS ENDING 8/14/87
BABY NEEDS	- 2.4%	- 0.8%	+ 2.7%
Baby Powders	- 6.9	- 11.7	- 5.3
Baby Oils, Creams & Lotions	0.0	+ 7.5	+ 16.1
Infant Clothes	- 23.2	- 20.5	- 27.0
Nursing Supplies	+ 2.0	+ 9.7	+ 1.0
DEODORANTS	+ 1.7%	+ 2.7%	+ 5.6%
Sprays	- 1.9	- 3.4	- 3.9
Roll-Ons	- 4.9	+ 0.4	- 0.5
Stick Deodorants & Pads	+ 9.3	+ 8.8	+ 13.1
Creams	- 10.1	- 16.7	- 15.3
Deodorants & Talcum Powders	+ 5.0	+ 16.5	+ 30.0
Feminine Hygiene Deodorants	- 11.6	+ 1.9	+ 0.8
Foot Deodorants & Athlete's Foot Remedies	+ 6.2	+ 10.6	+ 6.7
Feminine Douches	- 0.6	- 0.5	+ 11.1
FIRST AID	+ 0.4%	+ 1.8%	+ 0.4%
Antiseptics	+ 6.0	+ 2.2	+ 5.3
First Aid Products	- 1.4	+ 1.7	- 1.3
HAIR CARE NEEDS	+ 3.4%	+ 1.0%	+ 2.9%
Shampoos	+ 0.5	- 2.1	+ 0.4
Hair Sprays	+ 15.7	+ 15.8	+ 15.8
Hair Conditioning Rinses	- 2.7	- 7.1	+ 0.3
Hair Setting Needs	+ 11.0	+ 8.2	+ 1.7
Home Permanent Kits	- 12.7	- 7.4	- 10.4
Hair Coloring	- 3.4	- 5.5	- 4.5
Hair Dressing Needs	0.0	- 2.6	- 4.7
ORAL HYGIENE	- 0.8%	+ 4.2%	+ 6.6%
Toothpastes & Powders	- 3.1	+ 2.5	+ 9.5
Mouthwashes	+ 7.2	+ 16.1	+ 15.4
Breath Fresheners	- 7.2	- 0.5	- 2.9
Denture Cleaners	+ 0.8	- 3.6	- 4.4
Denture Adhesives	- 2.5	- 3.3	- 3.2
Toothbrushes	+ 0.1	+ 3.0	- 9.3
PROPRIETARY REMEDIES	+ 1.0%	+ 2.4%	+ 1.5%
Antacids	+ 1.3	+ 1.3	+ 2.2
Internal Analgesics	- 1.8	+ 3.0	+ 3.4
External Analgesics	- 1.9	+ 0.5	- 2.3
Cold Remedies	+ 4.9	+ 1.3	- 0.8
Nasal Sprays—Drops—Inhalers	- 0.6	- 1.9	- 4.8
Chest Rubs	- 9.1	- 8.1	- 4.5
Cough Remedies	- 0.1	- 0.3	- 1.3
Laxatives	+ 3.7	+ 1.3	- 1.5
Sleeping Aids	+ 9.5	+ 10.2	+ 9.6
Tranquilizers	- 12.4	- 3.2	- 3.1
Synthetic Vitamins	- 2.1	- 5.9	- 3.1
Eye Care Products	+ 20.3	+ 21.8	+ 15.8
Appetite Suppressants	- 23.5	- 14.7	- 22.6
SHAVING NEEDS	- 1.5%	+ 3.0%	- 4.4%
Shaving Creams	+ 1.4	+ 1.4	- 6.5
Pre-Shave Lotions	- 1.3	- 0.6	- 0.0
After-Shave Lotions	- 0.4	- 1.6	+ 1.7
Razor Blades	- 2.9	+ 4.3	- 3.8
Razors & Blades	0.0	- 0.6	- 20.6
SKIN CARE AIDS	+ 7.9%	+ 7.5%	+ 8.3%
Hand & Body Creams & Lotions	+ 8.7	+ 7.9	+ 7.6
Facial Preparations	- 6.2	- 5.8	- 9.3
Lip Care Products	+ 23.6	+ 31.6	+ 21.4
Suntan Lotions & Oils	- 0.8	- 6.3	+ 13.3
Cosmetic & Medicated Skin Aids	+ 13.5	+ 12.2	+ 15.0
TOTAL ALL CATEGORIES	+ 2.6%	+ 2.7%	+ 3.1%

HBA Departments Outpace All Other Departments in July and August

HBA products enjoyed better summer sales this year with strong performances from skin care aids and oral hygiene products.

BY ALAN B. MILLER JR.

This is the month we double up on our sales reports and observe trends for two 28-day periods. We do this because SAMI divides the year into 13 reporting periods, whereas SUPERMARKET BUSINESS is published monthly. But the doubling up also gives us an opportunity to look at the hottest summer months, a time when HBA sales in supermarkets are sometimes very cool.

The current analysis includes the reporting periods ending July 17 and Aug. 14, 1987. Compared to the same periods a year ago, this summer's sales were good. The unit movement increases of 2.7 percent in the July period and 3.1 percent in August were sufficient to help health and beauty aids (HBA) establish a better record of progress than was seen in the other product departments measured by SAMI.

In the July period, all five product departments registered unit volume gains ranging from + 0.7 percent for dry grocery-food to 2.1 percent for dry grocery-nonfood and 2.0 percent for refrigerated foods. In the August period, there were slight losses among dry grocery-food and frozen foods departments and gains for HBA, dry grocery-nonfood and refrigerated food. In all five departments combined, a decline in units of 0.7 percent occurred.

In both the July and August reporting periods, there were seven HBA product groups with gains and only one each period showing a negative trend—baby needs in July and shaving needs in August. In July, the best performances among the product groups were skin care aids (+ 7.5 percent), oral hygiene products (+ 4.2 percent) and shaving needs (+ 3.0

percent). In August, skin care aids (+ 8.3 percent) and oral hygiene products (+ 6.6 percent) continued strong and deodorant unit volume was up 5.6 percent.

Twenty-eight categories recorded sales gains in July, while 24 suffered declines. As of the four weeks ending Aug. 14, the ratio of gains and losses was reversed with only 24 categories gaining while 28 lost sales volume.

Better baby demand

Among baby needs, there was a trend reversal from negative to positive moving from July to August, due in part to the strong performances of baby oils, creams and lotions, which benefited from the national introduction of Mennen's Baby Magic Rich n' Creamy. There were small gains for nursing supplies in each period, but continuing loss rates plagued baby powders and infant clothes. The only category in this product group with an annual increase in unit volume through food stores is baby oils, creams and lotions, which had been on a losing streak until this recent turnaround.

Personal deodorants had an accelerating rate of gain as the summer progressed, with those in stick form showing continuing strength and with deodorant and talcum powders now solidly in the plus column. Sprays continue to edge downward while roll-ons are holding fairly steady thanks to the national roll out of Mennen's Lady Speed Roll-on. There was not enough volume contributed by new Suave and Axis sprays to erase the losses from other leading brands.

Another deodorant category that went from red to black ink during the two months was fem-

SAMI UPDATE

inine douches/washes. There were gains in both periods for feminine hygiene deodorants as well as foot deodorants and athlete's foot remedies.

First aid antiseptics showed growth in both periods + 2.2 percent in July, and + 5.3 percent in August, but first aid products (bandages, gauze, cotton swabs, etc.) had a small gain in July, then volume fell 1.3 percent in August.

In the July period, there were only two out of six categories with four-week gains over the same period a year ago—hair sprays with a plus 15.8 percent, and hair setting

needs, ahead 8.2 percent. However, these increases were sufficient to wipe out losses for shampoo (-2.1 percent), hair coloring (-5.5 percent) and hair dressing needs (-2.6 percent). In the August period, both shampoo and hair conditioning rinses were just barely ahead of their pace a year before, whereas losses continued for home permanent aids, hair coloring and hair dressing needs. The most important new products in this product group include Salon Selectives Shampoo and Hair Conditioning Rinse from Helene Curtis, Care for Kids

shampoo by Revlon, and Salon Hair Spray and Styling Mousse from S.C. Johnson.

Mouthwash cleans up

The best trend in the oral hygiene product group is for mouthwashes. Much of the current growth is coming from the new Scope peppermint flavor line extensions as well as the recent Plax and Sucrets new product entries. Toothpaste and powder unit volume rose 9.5 percent in the August reporting period with strong sales of five new products: Colgate Tartar Control, Aim Extra Strength, Close-Up Paste, Oral B Muppets and Pepsodent with Fluoride. Toothbrush volume registered an increase in the July period but fell behind last year's pace of 9.3 percent in this most recent reporting period. Continuing loss rates were found among breath fresheners, denture cleaners, and dental adhesives. The dental aids category, which is currently exhibiting gains, is not shown on the accompanying table because SAMI has not reported on this category for two full years.

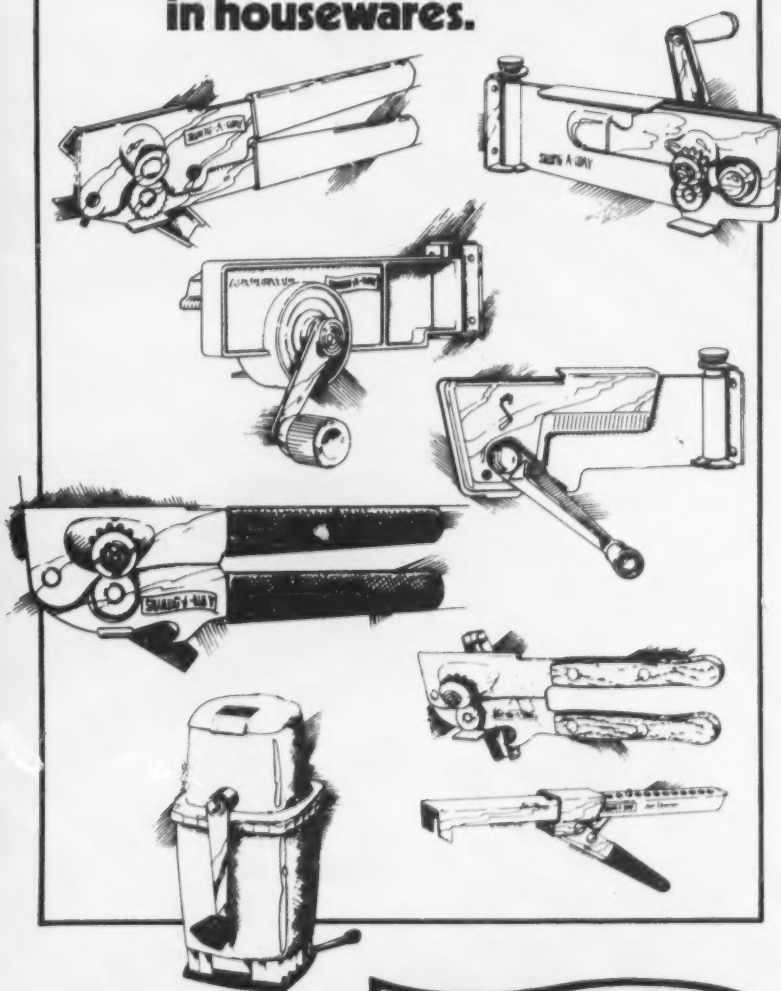
SAMI now tracks sales movement in 14 categories of proprietary remedies. In the most recent four-week period there were volume losses in 10 of these, but growth in the other four rose enough to keep this product group in the black—ahead 1.5 percent. The categories with positive trends were antacids (+ 2.2 percent), internal analgesics (+ 3.4 percent), sleeping aids (+ 9.6 percent) and eye care products (+ 15.8 percent). All four of the cough and cold categories suffered volume losses in the August period: cold remedies (-0.8 percent), nasal sprays—drops—inhalers (-4.8 percent), chest rubs (-4.5 percent) and cough remedies (-1.3 percent). The most severe decline was a 22.6 percent drop among appetite suppressants.

There were declines in August for both synthetic vitamins (-3.1 percent) and natural vitamins, minerals and supplements (-3.8 percent). Some of the new products in the proprietary remedies product group that helped to increase sales were Medipren, Midol 200, Doan's (with ibuprofen), Nuprin in this internal analgesics category, Fibercan laxative, Ocu-clear eye care products and Parke Davis and Squibb fish oil supplements.

The shaving needs product group enjoyed a volume increase in July as a result of a 4.3 percent hike in razor blades movement and a small gain for shaving creams. Small losses in July befell pre-shave lotions, after-shave lotions, and razors and blades. However, during this August reporting period, the only category of shaving needs to reflect a unit sales increase was after-shave lotions, which gained 1.7 percent. There were no million-dollar-a-year brands in this product group during the year, a fact that helps to explain the lack of sales vitality in the group.

Finally, among skin care aids, there were growth trends in both periods for hand and body creams and lotions, lip care products, and cosmetic and medicated skin aids. Facial preparations have been on a losing streak for more than a year. Suntan lotions and oils showed a loss in July, but came back to register a 13.3 percent gain in August. Annual volume in this category is up 4.9 percent on a unit basis. The best track record among skin care aids is for lip care products, which show a 52-week rate of growth amounting to 37.2 percent. The only high-volume new brand in this product group during the past year is Jergens Vitamin E, appearing in the hand and body creams and lotions category. ■

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